

# Is Social Quality Related to Subjective Well-Being in Shanghai? An Analysis of Economic and Social Structural Factors\*

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*Based on an empirical survey in Shanghai, this study tests the effects of four domains of social quality (SQ) viz. economic security, social inclusion, social cohesion, and social empowerment on subjective well-being (SWB). The results show that home ownership and income are important determinants of SWB, though the latter is not as strong a predictor of SWB as the former. Apart from the economic determinants, social cohesion (e.g., political trust) as well as social inclusion (e.g., involvement with social and cultural organizations) can influence people's SWB to a high degree. Additionally, social alienation and loneliness are negatively related to SWB. Even the degree to which people can express themselves freely relates directly to their SWB level. Results also show that the more people see success as a result of self-effort, the higher their SWB level.*

**Keywords:** Social Quality, Subjective Well-Being, Success Attribution, Harmonious Society, Shanghai

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## Introduction

Economic indicators like gross domestic product (GDP) have long been the established criteria for measuring a society's social progress (Costanza et al. 2009). However, a number of scholars have criticized the use of economic indicators over the last two decades as being too limited in scope for such a purpose. Indicators like GDP, which are based purely on economic criteria, fail to truly reflect the softer and more humane aspects of societal progress such as democratic participation, social capital and relationships, trust in individuals and institutions, and subjective well-being (SWB) that people experience (Costanza et al. 2009; Diener and Seligman 2009; Frey and Stutzer 2001; Ger 1997; Anand and Sen 2000; Stiglitz 2009). For example, Amartya Sen (2000) has advocated the use of a more comprehensive human development index that emphasizes softer and humanistic elements like better quality of life over purely economic indicators like GDP. More recently, under the guidance of Joseph Stiglitz, Amartya Sen, and Jean Paul Fitoussi (2009), the Commission on the Measurement of Economic Performance and Social Progress advocated the merging of softer elements like "quality of life" and sustainability with classical GDP to create a more comprehensive measure of social progress.

Perhaps the most popular and comprehensive measure of social progress is the concept of social quality (SQ) as proposed by Beck and his colleagues (2001), who define it as the level to which people "are able to participate in the social and economic life of their communities under conditions that enhance their well-being and individual potential" (Beck et al. 2001, pp. 6-7).

The concept of SQ perceives the quality of people's everyday life as the effect of interaction between economic and social structures of society on the one hand and between macro structure and micro agency on the other hand (Abbott and Wallace 2011). According to this perspective, "social quality" *per se* is only possible when the combination of four distinct structural factors is fulfilled. These factors take the form of continuums and have been denoted by various scholars as follows (Abbott and Wallace 2011; Beck et al. 2001; Phillips 2006; Yee and Chang 2011):

- (i) social empowerment, which refers to the availability of structural as well as individual support mechanisms that enable people to act and participate in society;
- (ii) socio-economic security, which indicates the availability of various

- resources that are needed for enabling participation by people;
- (iii) social cohesion, which means shared cultural<sup>1</sup> norms and values in establishing socially binding trust within a society; and
  - (iv) social inclusion, which denotes the degree to which people feel accepted and integrated in different social and institutional settings within the community.

The extent to which societies differ along the four dimensions above can give a very good indication of how advanced these societies are with regard to progress as indicated by the concept of SQ. As the product of these four dimensions, SQ represents resources and opportunities provided by the social structures of a society that enable individuals to enhance their feeling of life satisfaction or SWB (Abbott and Wallace 2011). In effect, SQ measures the extent to which a society provides the means and context for achieving SWB within that society. Thus, SQ can serve as an excellent indicator of the effectiveness of social systems and livability within a society, which are best represented by the level of SWB in that society (Abbott and Wallace 2011).

While “SWB can be defined as an individual’s subjective belief or feeling that his or her life is going well” (Lucas and Diener 2009, p. 79), it also reflects the quality of social interactions and social influence that help shape such individual beliefs (Veenhoven 2008; Abbott and Wallace 2011). On the one hand, a higher level of individual well-being, whether subjective or objective, acts as an indicator of fairer distribution of resources and social improvements favoring the majority of a society’s population (Walker and Maesen 2004). On the other hand, SQ factors such as positive public trust in societal agencies (e.g., the government) and close identification by people with those agencies can act as powerful indicators of SWB level found in any society (Böhnke 2006; Yee and Chang 2011). Indicators of social structure and social settings like social trust, social network, social inclusion, political freedom, and social alienation are crucial to how people feel about their current lives (Abbott and Wallace 2011). Moreover, SWB itself is a highly cultural construct as the product of social interactions, structures, and shared cultural meanings about what constitutes well-being and quality of life in a society (Wallace and Abbott 2009).

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<sup>1</sup> Culture itself is seen here as a set of shared norms and values (Greenfield and Keller 2004; Golpelwar 2011; Trompenaars and Hampden-Turner 1998).

## Existing Empirical Studies in Europe and Asia

In the recent past, a number of scholars have empirically studied the impact of SQ on SWB in Europe. Based on the 2003 and the 2007 waves of European Quality of Life Survey in 27 EU countries, Abbott and Wallace (2009) tested a “model of life satisfaction” within the framework of social quality theory across time and across various European regions. The results show that the SQ framework is robust across countries. Subjective economic security, measured by a deprivation scale and the ability to make ends meet, contributed to the largest part of the explained variance in SWB in both waves. Indicators of social empowerment and social cohesion were also very important in explaining SWB. Among the indicators of social integration, “feeling left out of society” only had moderate impact on SWB. Social support and social contact were even less influential.

However, there exist national differences between factors that influenced SWB in different countries. Abbott (2007) found that in Moldova and Belarus,<sup>2</sup> SWB was mainly influenced not only by material circumstances but also by SQ factors including subjective health situation, marriage, support from significant others, perceived control over situations, and satisfaction with financial circumstances. The regression results also show that while trust in government is a significant predictor of well-being in Moldova, this was not the case in Belarus.

In the Central Asian Republics of Kazakhstan and Kyrgyzstan and the Caucasus of Armenia and Georgia which are four other successor states of the Soviet Union, the SQ model also has strong explanatory power for SWB (Abbott and Wallace 2011). These four countries experienced dramatic economic recession, too, and well-regulated market economies and efficient government have not been established.

In all four countries, a greater sense of personal control resulted in higher level of SWB, but social cohesion factors like trust in institutions<sup>3</sup> and social integration factors like personal support from friends and family<sup>4</sup> failed

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<sup>2</sup> These two countries have undergone sudden and dramatic political transitions during 1991. For this reason, economic security is a matter of greater concern in these countries than in most Western European nations (Abbott 2007).

<sup>3</sup> Georgia is an exception; the relationship was negatively significant. This would indicate that while distrust in institutions does not significantly relate to SWB level in any of these four countries, such distrust definitely causes dissatisfaction in Georgia.

<sup>4</sup> Kazakhstan is an exception; the relationship was negatively significant. This would indicate that

to influence SWB.

Abbott and her colleagues' work mentioned above shows a happiness pattern from Western Europe to Central Asia. Although these regions differ in national wealth, economic security does have consistent impact on SWB across countries. Their findings, however, also illustrate that the functions of social cohesion, social inclusion, and social empowerment vary across different regions. That is, political trust and institutional support seem to play more important roles in stable, developed, and richer countries, whereas intimacy contacts and personal control can predict more variance in SWB in transitional countries.

According to two comprehensive reviews, a large number of empirical studies have been conducted in China since 1990 with regard to SWB in the context of Chinese culture (Xing 2002; Zhang and Xing 2007). Most of those studies have focused on psychological processes in which SWB is shaped. Their findings show that health and social psychological variables, including personality characteristics and cultural values, contribute much to the variances in individuals' SWB. These findings are consistent with those of other established SWB scholars (Chen and Davey 2008; Diener et al. 1995).

There is also ample empirical evidence that SWB is a reflection of the social environment in the Chinese context. Empirical studies show that SWB differs among Chinese people of various social groups, differentiated by income level, education, age, and gender (Brockmann et al. 2010; Wang and VanderWeele 2011; Yuan 2008; Yuan and Brockmann 2006). Cheung and Leung's (2004) survey in Beijing indicates positive effects of income, age, and perceived modern economic conditions in society on life satisfaction, with emphasis on the importance of economic security.

As has been stated earlier in this article, however, SWB is clearly socially determined and is strongly influenced by the position of individuals and social groups within the opportunity structure of a society (Böhnke 2006). Economic growth is no longer the first and only priority of Chinese society after a 30-year-long economic growth and social transition. SQ has now emerged as the key issue for concern (Wang 2009; Chan 2009; Hu 2005).

While there are many studies related to SWB in China, SQ, by virtue of being a concept that is largely based on societal experiences in Western Europe, is a rather recent theme in Asian social scientific research. Perhaps because of this novelty, it has not been studied as extensively in China as it

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while having a friend to confide in does not significantly affect SWB level in any of these four countries, not having this option does significantly increase dissatisfaction, at least in Kazakhstan.

has been in Europe (Wang 2009; Yee and Chang 2011).

This situation has resulted in a lack of adequate data about the relationship between SWB and SQ in the Chinese context. We do not have much information about how the formal elements of SQ, such as political trust, social participation, and political freedom, or the informal elements like social trust, social contact, and family support contribute to individuals SWB. This study attempts to answer these questions by testing the effects of the four domains of SQ on SWB, using data from Shanghai Social Quality Survey 2010. More specifically, this study attempts to report how SWB of the residents of Shanghai is embedded in SQ as represented by the formal elements mentioned above.

## Data Source and Research Method

### *Data Source*

The data used in this research is based on the Shanghai Social Quality Survey conducted in Shanghai in June and July 2010 by the Social Survey Center of Shanghai University. Using stratified multi-stage proportional random sampling method,<sup>5</sup> this survey firstly selected 46 neighborhood committees from 12 districts in Shanghai. Within each neighborhood committee, approximately 30 individuals were interviewed directly. A total of 1,285 respondents took part in this survey. Due to missing cases, 157 cases were deleted, thus leaving 1,128 cases for further statistical analysis.

The questionnaires used in this survey contained over 500 questions on individual characteristics, lifestyle, social attitudes, and personal opinions (Wang 2009). The SQ indicators used for modeling the quality of society and as determinants of SWB in this study are largely based on the recommendations of Abbott and Wallace (2009).

Table 1 lists the statistical sample distribution. It can be seen that the gender ratio of the sample is almost 1:1. Regarding educational background, respondents with a college degree or above take up almost 20% of the total sample. Furthermore, about three-fourth of the participants in the survey were married.

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<sup>5</sup> For further details regarding this family of survey methods, please refer to Barnett 1991, Bennett et al. 1991, and Dahmström and Hagnell 1978.

**TABLE 1**  
**SAMPLE DISTRIBUTION OF SHANGHAI SOCIAL QUALITY SURVEY IN 2010**

	Female	Male	Total
Age group			
< 30	113	127	240
30-39	113	97	210
40-49	119	90	209
50-59	150	169	319
> 59	81	69	150
Educational level			
High school or below	466	426	892
College or above	110	126	236
Marital status			
Unmarried <sup>a</sup>	116	169	285
Married	460	383	843
Total	576	552	1,128

NOTE.—a: Unmarried includes those who are single, divorced, widowed or separated from their partners.

### *Dependent Variable*

The dependent variable is SWB, which is being measured by a multiple-variable scale because the multiple-variable measurement is supposed to be better than the single-variable measurement (e.g., Campbell, Converse, and Rodgers 1976; Diener, Scollon, and Lucas 2009; Diener and Seligman 2009; Frey and Stutzer 2001; Lucas and Diener 2009). The multiple-variable scale measures the overall evaluations and feelings on most aspects of people's lives. Diener and his colleagues (1985) proposed a "Satisfaction with Life Scale" (SWLS) that includes people's overall evaluation of and satisfaction with their lives. But the five items of SWLS are related to general satisfaction only, and none of them measures the sub-domain of satisfaction.

The personal well-being index formulated by Cummins (1997), on the contrary, covers subjective evaluations on all aspects of the lives of people, including evaluations on self-living standards, physical conditions, achievements, interpersonal relationships, safety conditions, social participation, and self-future security. Based on a modified version of Cummins' index, Xing (2008) proposed an SWB scale that includes 10 sub-scales and 40 items paying special attention to the importance of family in the context of Chinese

culture. However, in its original format this scale is too complex to be applied to a large-scale social survey.

Rojas (2006) developed a seven-factor scale that measures satisfaction based on the social dimensions of health, economy, job, family, friendship, personal development, and community and provides a summary of various social indicators of SWB. Such a short scale is advantageous in that it can be filled in by a large number of people with minimum effort and can still provide in-depth information. Therefore, this study also uses a simplified SWB scale that measures seven core SQ factors covering respondents' overall satisfaction with their standard of living, housing, family life, health, personal relationships, and family economic situation. Respondents could choose from very satisfied (5) to very dissatisfied (1). Cronbach's alpha value is 0.85, which is above the minimum threshold value of 0.7 (Devellis 2003; Pallant 2007). Responses on all seven items can be added together to produce an SWB index that ranges from a minimum of 7 to a maximum of 35. The mean value of the sample in this study is 23.27, and standard deviation is 4.11.

### *Independent Variables*

The independent variables in this study include four domains of SQ: economic security, social cohesion, social inclusion, and social empowerment. Specific measurement indices of the four subareas are as follows:

1. Economic security, measured by two indicators:
  - a. Log of income: This measures the total wage income of respondents in 2009. The logarithm of absolute income is calculated and used.
  - b. Housing tenure: This reflects whether respondents own their houses (1), or rent their houses (0).
2. Social cohesion, measured by three indicators:
  - a. General trust: This refers to the overall trust in others. This variable is treated as a dummy variable, meaning 1 represents respondents' feeling that other people can usually be trusted, and 0 represents respondents' feeling that other people are not reliable.
  - b. Intimacy trust: This includes the level of trust in friends and family. Respondents could choose one of the following options to denote how much they trust their family members, neighbors, and friends: totally untrustworthy (1); not very trustworthy (2); neither untrustworthy nor trustworthy (3); relatively trustworthy (4); totally trustworthy (5).



A factor analysis of the trust level on these relationships shows that the Cronbach's alpha value is 0.76.

- c. Political trust: It includes trust in two specific professional groups like policemen and lawyers, and 13 governmental and non-governmental institutions, such as religious organizations, the army, newspapers, labor unions, television, judicial system, local governments, central government, people's congress council, NGOs, big companies, banks, and charities. Respondents could choose one of the following options: totally untrustworthy (1); not very trustworthy (2); neither untrustworthy nor trustworthy (3); relatively trustworthy (4); totally trustworthy (5). The values of these variables are summated to obtain an index of political trust.
3. Social inclusion, measured by five indicators:
  - a. Social participation: This variable indicates the extent to which respondents are involved in certain kinds of social organizations, such as sport or entertainment groups, art, music, education, or culture groups, labor unions, vocational associations, non-governmental organizations, and owners' committees. For each kind of organization, 0 means no participation, 1 means low participation and 2 means high participation. The sum of the scores on all these sub-items on each kind of organization is the indicator of social participation.
  - b. Social contact: This measures the frequency of interaction with family members, friends, colleagues, and neighbors. For each kind of group, 1 represents less often, 2 several times a year, 3 at least once a month, 4 at least once a week, and 5 several times a day. The contact frequency with these four kinds are added together to create the "social contact" variable. The higher the score on this variable, the higher the contact frequency with the respondents' social environment.
  - c. Loneliness: This measures whether respondents feel lonely in daily life. The regression model will set this variable as a dummy variable. That is, 1 means respondents always feel lonely, and 0 means they never feel so.
  - d. Social discrimination: This measures whether the respondents have experience in being discriminated against due to social status, physical disability, age, gender, appearance, birth place, educational background, medical history, hukou,<sup>6</sup> religion, or other reasons or not,

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<sup>6</sup> *Hukou* refers to the system of Chinese household registration which officially identities a person as resident of a certain area in China.

and whether they have encountered the following eight kinds of unfair treatments or not: policy disadvantageous to the family, conflicts with government leaders, unreasonable delay in response from government offices, unreasonable charge by the government, conflicts with district security, compulsory donation, medical dispute, and improper law enforcement. The total number of discrimination and unfair treatments that respondents have encountered is the indicator of social discrimination. Higher values mean that respondents face more serious discrimination.

- e. Marital status: This is a dummy variable (0 = single, widowed, divorced, or separated, 1 = married).
4. Social empowerment, measured by four indicators:
  - a. Success attribution: This refers to the respondents' attribution of their achievements and failures to their own actions (such as: "study harder to enter a better school," "accumulate more skills/professional experience," etc.) as against attributing them to others ("making use of family connections to find a job," etc.). Respondents could choose from the following options: very likely (5); possible (4); neutral (3); not possible (2); not likely (1). Higher values reflect that respondents believe success is achieved due to his/her own hard work and effort.
  - b. Freedom of expression: Respondents were asked whether they could freely express their personal opinions or communicate with others in public places or not. Respondents could choose a value from 1 to 10, with 1 representing very restrained and 10 very free. Higher values mean that respondents feel they can express their opinions more freely.
  - c. Social alienation: Respondents were asked at which level they feel they are in accordance with the following three situations: "I feel abandoned by society; "In order to achieve success, I have to do bad things"; "Somebody despises me." For each situation, respondents could choose one of the following options: agree very much (5); agree (4); neutral (3); disagree (2); disagree very much (1). The total value of the above three items is the social alienation index.
  - d. Educational level: This is a dummy variable (0 = no college education, 1 = college or above).

In the regression model, age and gender are also controlled. Gender is a dummy variable (0 = female, 1 = male). Four dummy variables are used to measure age groups (0 = younger than 30, 1 = 30-39, 40-49, 50-59, or older

than 59).

All independent variables used in this study were tested for multicollinearity and were found to be satisfactory because the variance inflation factors (VIFs) of all independent variables were below 2.0. This value is much less than the generally accepted maximum threshold value of 10 (Pevalin and Robson 2009; O'Brien 2007).

## Statistical Results

Table 2 shows the fluctuation of the mean SWB in some social groups. All in all, SWB does not change very much across social groups. The difference between genders is very small, and marital status was found to hardly alter people's SWB level. Regarding the effect of age on SWB, young people and the elderly have higher level of SWB than do the middle-aged. This leads to the assumption that the relationship between age and SWB may be U-shaped. The effects of educational level on SWB, however, are rather clearer. Both highly educated female and male respondents are more satisfied with their lives as compared to those with less education.

TABLE 2  
MEANS OF SUBJECTIVE WELL-BEING ACROSS SOCIAL GROUPS IN SHANGHAI

	Female	Male	Total
Age group			
< 30	24.11	24.13	24.12
30-39	23.81	23.82	23.81
40-49	23.2	22.33	22.83
50-59	22.6	22.21	22.39
> 59	23.33	23.96	23.62
Educational level			
High school or below	22.96	22.74	22.85
College or above	25.03	24.59	24.79
Marital status			
Unmarried <sup>a</sup>	23.48	22.84	23.10
Married	23.33	23.32	23.32
Total	23.36	23.17	23.27

NOTE.—a: Unmarried includes those who are single, divorced, widowed or separated from their partners.

**TABLE 3**  
**ESTIMATES OF FOUR-QUADRANT MODEL ON SUBJECTIVE WELL-BEING**

		Model 1	Model 2	Model 3	Model 4
<b>Economic security</b>	Log of income	0.17***			
	House tenure (0 = renting a house)	2.01***			
<b>Social cohesion</b>	General trust (0 = no trust)		0.70*		
	Intimacy trust		0.25*		
	Political trust		0.13***		
<b>Social inclusion</b>	Social participation			0.18***	
	Social contact			0.10*	
	Loneliness (0 = not lonely)			-2.18***	
	Discrimination			-0.51***	
	Married (0 = unmarried)			1.12**	
<b>Social empowerment</b>	Success attribution				0.62***
	Freedom of expression				0.24***
	Social alienation				-0.76***
	High education (0 = no high education)				0.86**
<b>Controlling variables</b>	Age groups (0 = < 30)				
	30—39	-0.62	-0.20	-1.27**	-0.21
	40—49	-1.79***	-1.57***	-2.23***	-0.69
	50—59	-2.4***	-1.90***	-2.7***	-0.62
	> 59	-1.02*	-0.60	-1.44**	0.25
	Male (0 = female)	-0.34	-0.04	-0.19	-0.23
<b>Constant</b>		21.57***	14.10***	20.84***	24.47***
<b>R<sup>2</sup></b>		0.08	0.12	0.15	0.18

NOTE.—Unstandardized regression coefficients (b) reported.

Significance level: \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ .

In table 3, the quadrant-by-quadrant regression shows that economic security, including log of income and house tenure, as well as the controlling variables (model 1) explain 8% of the variance in SWB. Those with housing tenure have 2.01 units higher SWB than do those renting their houses. Furthermore, the effect of income on SWB is found to be significant ( $b = 0.17$ ).

Model 2 contains the variables of social cohesion, including general trust, intimacy trust, and political trust. The  $R^2$  value for this model is higher than that of the economic security quadrant (0.12 vs. 0.08). Furthermore, in this model, general trust is seen as contributing towards the improvement of SWB level by ( $b =$ ) 0.7 unit. The effects of other two trust indicators are significant as well. This indicates that the more trust people have in intimate relationships and in political agencies, the higher their level of satisfaction (as depicted by SWB level) will be. Especially, the effect of political trust is statistically significant at the confidence level of 0.001, and the effect of other trust-related indicators for the same sample are significant at least at the confidence level of 0.05. This high level of significance in relation to political trust implies that confidence in political agencies can explain the relatively high degree of variance in SWB as compared to other trust indicators.

Model 3 reflects the effect of social inclusion on SWB. Its explanatory power ( $R^2 = 0.15$ ) is slightly higher than that of model 2 ( $R^2 = 0.12$ ). All indicators of social inclusion reveal strong influence. The more people participate in social organizations, the higher SWB level they enjoy. Social contact will also help people lead a satisfactory life, and being married can improve SWB by ( $b^7 =$ ) 1.12 units. The feeling of loneliness reduces SWB level by ( $b =$ ) 2.18 units. This is even larger than the increase in SWB level ( $b = 2.01$ ) caused by owning a house. Furthermore, social discrimination is found to be significantly negatively related to SWB; every unit of social discrimination experienced leads to a drop in ( $b =$ ) 0.51 unit of SWB.

Model 4 illustrates the strong influence of social empowerment on SWB. Its adjusted  $R^2$  value is 0.18. As per this model, ( $b =$ ) 0.76 unit of SWB will be reduced for every additional unit of social alienation. Additionally, people with various opinions on how success can be achieved will judge their lives differently. The more they feel they can achieve success through their own efforts,<sup>8</sup> the more pleasure they can enjoy in their lives.

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<sup>7</sup> Unstandardized regression coefficient.

<sup>8</sup> Attribution of success (or failure) to personal capability and/or efforts; also referred to as "internal locus of control" (cf. Au 2007).

It is worth mentioning that whether people can show their opinions in public places or not also has an effect on SWB level. As depicted by the unstandardized regression coefficient ( $b$ ) of 0.24, people who feel they can show their opinions freely will be happier than others. Moreover, highly educated people also have ( $b =$ ) 0.86 unit higher SWB level relative to people with lower education.

From the models depicted in table 3, it can be seen that the four quadrants of SQ respectively have significant impact on SWB. Compared to the economic quadrant, the three social quadrants by themselves can explain much of the variance in SWB. To some extent, this shows that the effects of social factors on SWB seem to be stronger than the effects of economic conditions.

However, all quadrants do not theoretically come into independent play. Apparently, economic conditions may form strong bonds with other conditions. Social cohesion and social inclusion are closely connected to each other. Thus, all independent variables are tested in model 5 (see table 4) in order to comprehensively examine the effects of all indicators on SWB and to compare their contribution to explanatory power of this model.

From table 4, it can be concluded that almost all unstandardized regression coefficients of independent variables have declined compared to previous models (depicted in table 3). Many indicators have lost their respective influence. Two indicators of social cohesion viz. general trust ( $\text{Beta}^9 = 0.03$ ) and intimacy trust ( $\text{Beta} = 0.02$ ) no longer significantly affect SWB levels. Neither do social contact ( $\text{Beta} = 0.02$ ) nor higher education ( $\text{Beta} = 0.05$ ).

But many indicators still continue to hold significant explanatory power in model 5. Among them, social alienation in the dimension of social empowerment has the strongest explanatory power on SWB ( $\text{Beta} = -0.22$ ). Both success attribution and freedom of expression, as two indicators of social empowerment, significantly contribute to SWB. That is, those who believe that their hard work will lead to success and consider themselves able to express opinions freely will enjoy more SWB.

Political trust is the second most powerful variable among these SQ indicators, with a value of  $\text{Beta}$  equal to 0.18. House tenure and social participation are respectively third and fourth in importance, although as compared to the four-quadrant models (see table 3), in model 5 (see table 4) their unstandardized regression coefficients drop from 2.01 to 1.35 and from

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<sup>9</sup> Standardized regression coefficient.

**TABLE 4**  
**ESTIMATES OF WHOLE REGRESSION MODEL (MODEL 5) ON SUBJECTIVE WELL-BEING**

		b	SE	Beta
<b>Economic security</b>	Log of income	0.10	0.05	0.06*
	House tenure	1.35	0.26	0.15***
	(0 = renting house)			
<b>Social cohesion</b>	General trust (0 = no trust)	0.29	0.23	0.03
	Intimacy trust	0.07	0.08	0.02
	Political trust	0.10	0.02	0.18***
<b>Social inclusion</b>	Social participation	0.11	0.03	0.14***
	Social contact	0.03	0.04	0.02
	Loneliness (0 = not lonely)	-1.47	0.39	-0.10***
	Discrimination	-0.23	0.09	-0.08*
	Married (0 = unmarried)	0.72	0.31	0.08*
<b>Social empowerment</b>	Success attribution	0.41	0.13	0.09**
	Freedom of expression	0.14	0.05	0.08**
	Social alienation	-0.60	0.08	-0.22***
	High education	0.55	0.29	0.05
	(0 = no high education)			
<b>Controlling variables</b>	Age groups (0 = < 30)			
	30—39	-0.93	0.38	-0.09*
	40—49	-1.94	0.41	-0.18***
	50—59	-1.99	0.39	-0.22***
	> 59	-1.27	0.43	-0.10**
	Male (0 = female)	-0.14	0.22	-0.02
<b>Constant</b>		15.66	1.53	.
<b>R<sup>2</sup> = 0.31</b>				

NOTE.—b = unstandardized regression coefficient.

S.E. = standard error.

Beta = standardized regression coefficient.

Significance level: \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001.

0.18 to 0.11, respectively. Feelings of loneliness and being married, two dummy variables, can influence SWB as well.

As a set of control variables, age groups seem to show a significant U-shaped impact on SWB. Those aged between 40 and 59 experience the lowest level of SWB among all age groups. This middle-aged group reveals

nearly 2 units less SWB than the youngest group. Gender does not seem to alter people's SWB at all.

## Discussion and Conclusion

Since China's reform and opening up to the outside world, its economy and social structure have undergone dramatic changes. How to test the effect of social changes on people's SWB has become an important issue in both political and academic circles. This paper investigates the effects of social environment on people's SWB from the perspective of social quality theory, using data from Shanghai Social Quality Survey in 2010. This study attempts to contribute to the discussion on how society provides satisfactory objective and subjective living conditions to the people. The results show that all four sub-domains of economic security, social cohesion, social inclusion, and social empowerment have strong impact on SWB.

Firstly, with regard to economic security, regression analysis shows that housing tenure is a very important predictor of life satisfaction in today's Shanghai. This shows that, on the one hand, Chinese people still cherish the traditional value of having a pleasant place to live. On the other hand, rising cost of houses in Shanghai is resulting in heavy mortgages for most purchasers of real estate including those who are relatively well-off (Pressly 2011). It is obvious that the rapid jump in real estate prices in the past 10 years has depressed a great number of Shanghai residents who have not purchased their own house for various reasons. Some of the middle class even cannot make ends meet, although their salary has increased. Correspondingly, family expenditure and financial balance should be given special attention in SWB research. It thus implies that local governments should pay more attention to providing people with economically affordable houses.

Moreover, individual income likewise affects SWB in Shanghai. The result is quite consistent with existing findings in other countries where happiness is more or less related to objective economic factors (e.g., Easterlin 1974, p. 99; Tella, MacCulloch, and Oswald 2003; Blanchflower and Oswald 2004). The correlation between income and SWB implies that fulfillment of basic economic requirements are very much a prerequisite for achieving satisfaction.

Apart from economic factors, remarkable effects of the social domains of SQ on SWB are revealed. Social cohesion is a social relation characteristic



based on values, social network, and consensus brought on by identification. The main indicator of social cohesion is trust. Regression models show that political trust has strong impact on SWB, while other indicators of social trust fail to predict the level of SWB after controlling other factors of SQ.

Political trust reflects how much people believe that certain government agencies will realize people's expectations. Mishler and Rose (2001) consider political trust as people's judgment which shows the degree of satisfaction of people on the performance of government agencies and officials. In other words, people tend to observe how their government agencies and staff work and whether they have met all requirements of the public or not. Accordingly, the public conducts subjective evaluations and judgments of whether their government agencies are worthy of trust or not.

Statistical results (table 4) show that SWB arising out of the trust-relation between Shanghai residents and political agencies is quite strong ( $\text{Beta} = 0.18$ ). In contrast, the relationship between SWB and intimate trust between families, friends, and neighbors is quite low ( $\text{Beta} = 0.02$ ).

As mentioned earlier, political trust has been shown to improve SWB in many developed Western European countries but not in transitional countries like Belarus, Kyrgyzstan, Armenia, and Georgia. The case of Shanghai implies that the public expects policymakers and political agencies to redistribute social fortune fairly and to improve social welfare, despite the fact that family is widely considered more essential in providing economic security and social support in Asian societies where Confucian ideology prevails (Ku and Finer 2007). Thus, the performance of government and other political agencies should be improved as well to meet people's expectation.

Social inclusion measures the extent to which people are connected with society and whether they can gain expected social support and help from "society" or not. Social inclusion not only manifests status in social relations, but also displays the degree of participation of citizens in political, economic, social, and cultural activities. The results confirm that those who participate in social organizations and play an active role there can enjoy higher levels of SWB.

On the other hand, if people cannot draw social attention and are lacking in social communication, they will feel lonely and depressed. Therefore, their level of SWB will decline. The results of this study are consistent with this theoretical assumption. Loneliness still has a significantly negative impact on SWB after controlling for the other three domains.

Results also show that social empowerment can upgrade the level of

SWB; social alienation can have a huge negative effect on SWB ( $\text{Beta} = -0.22$ ) compared to other SQ determinants of satisfaction. Uncertainty and social helplessness caused by disorder of the social value system during economic growth undermine people's satisfaction with their lives to a great extent. According to Durkheim ([1893] 1960, [1897] 1997), modernity and complexity in a society cause the weakening of traditional social bonds between individuals. They also result in the weakening of moral and regulatory norms, which have traditionally shaped and guided people's behavior. Thus individuals find themselves getting more and more dissatisfied and alienated from the society.

In other words, a state of anomie can result from the growing disparity between people's needs for normative structure and the inability of the existing social structure to provide the means for satisfying these needs. Merton (1938) provides an example of such a disparity through his description of anomie as the inconsistency between the demands and goals set by a culture and the legitimate methods which the same culture puts at an individual's disposal for realizing these goals. According to Merton (1938), if people cannot realize the common goals of society through legal methods, alienation will spread. For the purpose of the current discussion, such disparities could result in a decline in SWB level. Therefore, the findings of this study suggest that it is necessary to create a new system of social values and common goals in a transitional society and to provide systematic institutional arrangements to enable social members to achieve reasonable expectations through legal approaches.

In a similar vein, providing societal and legal opportunities to people to be able to freely express their opinions ( $\text{Beta} = 0.08$ ) and to enable them to have a sense of self-attributed success ( $\text{Beta} = 0.09$ ) by removing social barriers like discrimination ( $\text{Beta} = -0.08$ ) can also help achieve a higher level of SWB.

Finally, this study also provides some useful suggestions for policymakers. In order to help enhance people's SWB level, governments, on the one hand, need to sustain economic growth, reduce housing prices, take steps to reduce social unfairness, and put more emphasis on decreasing poverty. On the other hand, governments and the public should pay more attention to social cohesion, social inclusion, and social empowerment. For this, first of all, the state can improve individuals' sense of social inclusiveness and reduce social alienation by promoting a core value system that emphasizes harmonious culture and the construction of harmonious society. Secondly, reforms of social security and social welfare are needed to maintain

social justice, eliminate social discrimination, to provide opportunities for upward social mobility, and correspondingly to increase political trust. Thirdly, local governments can help enhance participation in civil society by taking steps to promote various kinds of social organizations, by enlarging social space and political participation, and by active encouragement of citizen involvement in economic, political, social, and cultural activities.

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